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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

RELEASED

GENERAL GOVERNMENT
DIVISION

AUG 27 1976

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Mr Joseph P Yeldell
Director
Department of Human Resources
District of Columbia Government

Dear Mr Yeldell

In November 1971 the Mayor announced the need for the District to implement a welfare reform program designed to reduce the number of persons on the welfare rolls. In February 1972, the Department of Human Resources (DHR) initiated the Self-Improvement Through Employment (SITE) program having as its major goal the reduction of the welfare rolls by providing welfare recipients with employment opportunities offering career potential. DHR has defined career potential as employment that would enable a person to begin at a level for which qualified and progress up a career ladder based on experience and performance.

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In March 1975, we started a survey of the actions taken by DHR to provide welfare recipients with jobs that would help them move from a dependent to a self-supporting status. Our survey was directed primarily towards examining the effect the SITE program had on achieving the Mayor's goal of reducing the welfare rolls.

Work on the survey has been interrupted by other higher priority assignments. Because of these assignments, the increasing congressional attention in appropriation hearings on your welfare program, and other ongoing work, including our review to develop a computerized model to assist DHR in identifying welfare cases with the highest probability of error, we are suspending the survey.

Sufficient information was not available to permit us to reach any conclusions concerning the effectiveness of SITE in achieving the Mayor's goal. However, from the information we accumulated, it appears that improvements could be made in the administration of the program. We offer the following for your consideration.

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--An overall plan had not been developed setting forth the goals and objectives of the SITE program and how it is to be carried out. Eligibility criteria for the SITE program was the same as that used for the Federally sponsored Vocational Rehabilitation Program which limits participation to the disabled. Thus, the possibility exists that many welfare recipients could be excluded from the SITE program. Precise figures on the number of potential welfare recipients eligible for the SITE program are not available. DHR has estimated 15,000 welfare recipients would be eligible for the SITE and other work incentive programs.

--Criteria needs to be developed to measure the success of the SITE program. Since its inception in 1972 through June 1975, the program, according to DHR, has placed 788 people in employment. DHR estimates that 8,000 people are to be served by SITE. If DHR's 3 year job placement experience continues, it would take about 10 years for DHR to place the remaining eligible welfare recipients in jobs.

--Information is not readily available to help DHR to keep track of persons who have participated in SITE and placed in jobs. DHR doesn't know, for example, how many of the 788 persons placed in jobs are still employed.

--Because the amount of income earned by some recipients placed in jobs under the SITE program was not sufficient to reduce or terminate their welfare payments, persons continued to receive their full welfare grant after employment. Information made available to us showed that of 186 job placements in fiscal year 1974, 73 recipients had their grants terminated or reduced.

--Accurate cost data of operating the SITE program is not available. Three cost estimates for fiscal year 1974 ranging from \$222,000 to \$554,619 were provided us. Accurate data is needed to measure the cost/benefits of the program.

--A reporting system is needed to help management monitor the SITE program.

Suspension of audit work on this segment of DHR's operations is not intended to minimize the importance of the welfare reform program. As staff becomes available, we plan to resume work in this area.

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Copies of this letter are being sent to the Mayor, City Council, Office of Budget and Management Systems, D C Auditor, and the Office of Municipal Audit and Inspection

We appreciate the courtesy and cooperation extended by your staff during our survey

Sincerely yours,

A handwritten signature in cursive script that reads "F Medico".

Frank Medico
Assistant Director